



AGENDA ITEM 3A

INTERNET WATCH FOUNDATION

Board Meeting

9.30 am - Tuesday, 22nd January 2008

At Chesterfield Mayfair Hotel, 35 Charles Street, Mayfair, London W1J 5EB

MINUTES

Present: Amanda Jordan (Chair), Emma Ascroft, Rodney Brooke, Stephen Locke, Hamish MacLeod, Camille de Stempel, Ian Walden (joined the meeting at 11.30am), Suzy Walton

IWF Staff: Peter Robbins (CEO), Brian Wegg

Apologies: Naomi Cohen, Tink Palmer

1 Apologies and welcome

Chair opened the meeting, noted the apologies and welcomed Stephen Locke to his first meeting as a Board member.

2 Minutes of previous Board meeting – 27th November 2007

-It was noted that Stephen Locke's term of office did not commence until 1 January 2008 and the minutes should reflect that his apologies were given as an 'observer'; and

-When approving the Risk Policy, in addition to removing the 'major risk matrix' from the body of the policy text to an appendix, it was agreed that the major risks matrix should be re-ordered to avoid the implication that Trustees represented the greatest risk to the IWF.

Subject to the above amendments the minutes were **agreed** as a true record of the meeting.

3 Matters arising - (including action summary from 27th November)

It was noted that all actions from the last Board meeting had been carried out.

It was confirmed that the response to the Byron consultation had been sent and that the Chief Executive would be attending the interim conference in London.

There were no further matters arising.

4 Minutes from Executive Committee of 16th November - for information (to follow)

5 Governance:

(a) Election of Vice-chairs

Ian Walden was re-elected as non-industry Vice-chair and Hamish MacLeod as industry Vice-chair.

Chair expressed concern with regard to the one-year terms of office for Vice-chairs and Board agreed that this matter should be included in the review of the company Memorandum and Articles of Association with a view to seeking a longer term of office for this role.

ACTION 1: Secretariat to seek advice on moving to longer terms of office for Vice-chairs and include any proposed change within the review of the company Memorandum and Articles of Association.

Board noted that under the present Funding Council constitution Hamish was unable to serve a third consecutive two-year term of office as an industry Director. Chair asked industry Board members to consider whether as part of the changes to the



Funding Council constitution a review of the period of office for industry Directors could be included.

ACTION 2: Industry Board members to liaise with Chair of Funding Council on a possible change.

Board noted that a review of the Memorandum and Articles of Association for IWF was being undertaken by legal advisers in order to ensure compliance with the Companies and Charities Acts 2006 and to consider how non-industry Directors could be remunerated within the present constitutional documents. The solicitors had also asked for a copy of the proposed Funding Council constitution in order to ensure it was compatible with charity law and the Memorandum and Articles.

It was noted that any proposed changes to the Memorandum and Articles would require the approval of company members at a General Meeting.

(b) Strategic framework

Consultation feedback on key goals, priorities and objectives

Chief Executive outlined the feedback from the consultation process which was generally supportive of the key goals and priorities. There were some specific issues and questions which would need addressing as the plan was developed.

ACTION 3: Secretariat to write and thank those who responded and address the issues raised where possible.

Concern was expressed that an industry member who had responded felt that aspects of the plan extended IWF's remit. Board felt this was a misunderstanding and concluded that it was important that IWF was in a position to research issues and make informed decisions and contributions to ongoing debates.

Board noted that some IWF activities identified in the plan might be more appropriately funded from sources outside the industry membership and that this should be considered when Board re-visits the funding model.

It was noted that some of the plan needed more accurate wording and presentation and that the use of the term 'customer' was potentially misleading. Subject to this clarification Board **approved** the goals and key priorities.

Chair asked that any further comments from Board on presentation should be made directly to the Chief Executive. The executive was asked to:

ACTION 4: Develop the draft plan, key performance indicators and a supporting draft budget.

Final approval would be sought at the Board meeting on 18 March.

(c) Committee membership

Chair explained that the industry elections for two new Directors in April would require Board to return to this item later in the year in order to maintain balance on the committees.

Following further discussion, Board **agreed** that:

- Rodney Brooke and Suzy Walton would join Audit Committee with Hamish MacLeod remaining Chair until the outcome of the industry elections in April;
- Naomi Cohen would join Communications Committee and take over the Chairmanship of the Committee; and
- A Remuneration Committee would be formed - Suzy Walton and Stephen Locke to sit on the committee and oversee the development of its role and terms of reference. An industry Director would be appointed to the committee shortly and initially the committee would report to the Board through the Audit Committee.

(d) Sub-committee feedback – Communications:



(i) Press cuttings

These were noted.

(ii) 2007 Annual report – arrangements

Chief Executive outlined the planned launch arrangements and timescales. Board noted that they would receive a draft text by Friday 25th January and a report mock-up within two weeks.

(iii) Nominations for the ISPA award

*[Confidential minute - Board **agreed** to the selection of Richard Swetenham, Head of the eContent and Safer Internet Unit at the European Commission, as the winner subject to the views of the three Board members who were not in attendance.*

ACTION: Secretariat to establish the views of the three Board members]

(e) Sub-committee feedback – Audit:

Chair of Audit Committee reported on matters from the recent committee meeting:

(i) Group management accounts (P & L) and balance sheet (Apr-Dec)

Board noted that there were no significant variances from forecast. The level of debtors on the balance sheet was noted and Audit Chair advised that the amount as percentage of total income was reasonable. Board **resolved** to:

Add a statement on invoices that, *statutory interest would be added after 90 days to any outstanding amounts.*

(ii) Risk issues – verbal update

Hamish reported that there were two ongoing issues – clarity on the notification Directors should receive with regard to any significant concern arising from staff counselling and secondly, concern about the occasional transfer of data on CDs to CEOP. Hamish asked Board to note that the counselling contracts and policy were being reviewed in order to enable Board to receive confidential notification of any significant concerns about staff which arise from counselling sessions. Developments would be reported to Board via the Audit Committee.

Hamish explained that Audit Committee had received a detailed description of security procedures relating to the use of CDs and that discussions were taking place with CEOP on the use of encrypted disks for transferring data. Board concluded that should the current discussions be unsuccessful, the Chief Executive should write to CEOP requesting that all CDs used to transfer data should be encrypted.

ACTION 5: Pending the outcome of discussions with CEOP, CEO to write and request that all CDs be encrypted.

Board agreed that Audit Committee's terms of reference should be extended to include a regular review of governance practice.

Board noted that the independent assessment of Hotline procedures would be undertaken in the current financial year and a short list of candidates to carry out the audit would be circulated to Board for comment. Based on any comments Chief Executive would advise Chair on the appointment of the independent auditors.

ACTION 6: CEO to forward a short list of potential auditors for Hotline procedures to Board.

(f) Membership update

Board **approved** Fortium Technologies application for Associate membership and noted that a wider discussion on membership is scheduled for a future Board meeting.

(g) Funding Council governance and draft revised constitution



Emma Ascroft introduced the item, outlined the context of the review and said that Funding Council was ready to move to a vote on the new constitution. Board noted that the Funding Council constitution was a matter for industry and Board was being consulted before a decision was made on the changes.

Some Board members expressed concern that Funding Council and Board may differ on what they regarded as a policy matter and that this needed more clarity in order to ensure our decision making was robust and defensible.

Board noted the respective roles and responsibilities with regard to the Code of Practice and concluded that the Code is owned by industry and that they are responsible for its implementation and management. Changes to the Code would be approved by industry and be subject to consultation with Board.

Following further discussion, Board **concluded** that:

- Chair should write to the Chair of Funding Council asking that the terms of office for industry Board be brought in line with the three year term of non-industry Directors;
- Industry Directors should be able to make a judgment that a matter being considered at Board was not a major policy decision and that they were able to fully participate in any decision;
- Clarification would be sought on respective roles with regard to the Code of Practice; and
- The revised constitution would be reviewed by the lawyers as part of the update of governance documentation.

6 Select Committee consultation on harmful content – IWF draft response

Draft response **approved**.

7 Chair and CEO matters:

(a) Chair's report

Chair outlined recent IWF activities and meetings.

Board noted the reply from Verizon and expressed their disappointment on its content.

(b) Chief Executive's report

The report was noted.

8 Operational matters:

(a) Hotline Operational report – information (copy attached)

The helpful report was noted.

9 AOB

- Secretariat to write and thank the Minister for joining the Board dinner. Industry Directors asked that reference to their concerns about the volume of contact and demands for information from government departments and agencies be included in the letter, with a suggestion that BERR may be able to play a coordinating role in this respect;
- Board congratulated Peter Robbins on his OBE; and
- Thanked the Secretariat for organising a successful event.



10 Board dates for: 2008: all Tuesdays, start time usually 10.30 am. - 18th March, 20th May, 8th July (Oakington), 23rd Sept (inc. AGM), 25th Nov.

The meeting closed at 1.05 pm.